



Dave Yost • Auditor of State

**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Grandview Union Cemetery
Tuscarawas County
P.O. Box 101
Strasburg, Ohio 44680

To the Board of Trustees:

Report on the Financial Statement

We have audited the accompanying financial statement and related notes of the Grandview Union Cemetery, Tuscarawas County, Ohio (the Cemetery), as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on the financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the Cemetery prepared the financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Basis for Qualified Opinions on Charges for Services, Sale of Lots Revenue and Non-Payroll Disbursements

We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as charges for services and sale of lots receipts for the years ended December 31, 2013 and 2012. Charges for Services receipts totaled \$16,050 and \$11,250 for the years ended December 31, 2013 and 2012, respectively, which is 22% and 27% of receipts for the years ended December 31, 2013 and 2012, respectively. Sale of Lot receipts totaled \$7,700 and \$5,000 for the years ended December 31, 2013 and 2012, respectively, which is 10% and 12% of receipts for the years ended December 31, 2013 and 2012, respectively. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additionally, Non-Payroll Disbursements totaled \$30,585 for the year ended December 31, 2012. We were unable to obtain sufficient appropriate audit evidence supporting \$23,834, or 78%, of these disbursements. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statement referred to above presents fairly, in all material respects, the fund cash balance of the Grandview Union Cemetery, Tuscarawas County, Ohio, as of December 31, 2013 and 2012, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

November 19, 2014

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**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
Cash Receipts:		
Charges for Services	\$16,050	\$11,250
Sale of Lots	7,700	5,000
Intergovernmental	50,000	25,000
Earnings on Investments	5	5
Royalties	85	55
Miscellaneous	120	271
Total Cash Receipts	73,960	41,581
Cash Disbursements:		
Current Disbursements:		
Salaries	23,854	23,393
Supplies	3,244	1,499
Equipment	2,625	1,950
Contracts - Repair	4,913	823
Contracts - Services	7,248	17,281
Public Employees' Retirement	2,778	3,242
Workers' Compensation	684	637
Miscellaneous	6,746	5,153
Capital Outlay	13,419	
Total Cash Disbursements	65,511	53,978
Excess Receipts Over (Under) Disbursements	8,449	(12,397)
Other Financing Receipts (Disbursements):		
Refund of Prior Year Disbursements	357	
Refund of Prior Year Receipts	(600)	
Total Other Financing Receipts (Disbursements)	(243)	
Net Change in Fund Cash Balance	8,206	(12,397)
Fund Cash Balance, January 1	7,996	20,393
Fund Cash Balance, December 31		
Unassigned	16,202	7,996
<i>Fund Cash Balance, December 31</i>	\$16,202	\$7,996

The notes to the financial statement are an integral part of this statement.

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**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Grandview Union Cemetery, Tuscarawas County (the Cemetery). Franklin Township and the Village of Strasburg appoint a three-member Board of Trustees to direct cemetery operations. Franklin Township also levies a property tax and provides the Cemetery with support from this levy upon request. The accompanying financial statements classify the support from Franklin Township as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery's management believes the financial statement presents all activities for which the Cemetery is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Cemetery recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

The statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits

All deposits are maintained in an interest bearing checking account.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash that is restricted as to use. The Cemetery utilizes the following fund type:

General Fund

The General Fund accounts for and reports all financial resources of the Cemetery.

E. Fund Balance

Fund balance is classified based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classification is as follows:

Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Fund Balance (Continued)

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Property, Plant, and Equipment

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. Equity in Pooled Deposits

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2013</u>	<u>2012</u>
Demand deposits	\$16,202	\$7,996

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. Retirement System

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2013.

4. Risk Management

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Grandview Union Cemetery
Tuscarawas County
P.O. Box 101
Strasburg, Ohio 44680

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the Grandview Union Cemetery, Tuscarawas County, Ohio (the Cemetery), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statement and have issued our report thereon dated November 19, 2014, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We qualified our opinion on charges for services, sale of lots and 2012 non-payroll disbursements due to a lack of supporting documentation.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statement, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2013-001 through 2013-003 described in the accompanying Schedule of Findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2013-003.

Entity's Response to Findings

The Cemetery's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Cemetery's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

November 19, 2014

**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2013-001

Material Weakness

As a result of audit procedures performed, errors were noted in the Cemetery's financial statements that required audit reclassifications as follows:

- Intergovernmental Revenue of \$50,000 and \$25,000 was reported as fund balance adjustments instead of revenue in 2013 and 2012, respectively;
- Governmental Accounting Standards Board (GASB) Statement 54 paragraph 18 defined fund balances classifications required to be reported for governmental funds. The Cemetery's fund balances were \$16,202 and \$7,996 in 2013 and 2012, respectively. However, the fund balances were not presented using the classifications required under GASB Statement 54. The fund balances for each year should have been reported under the Unassigned classification;
- Refund of Prior Year Disbursements of \$357 was incorrectly reported as a decrease in disbursements in 2013. Refund of Prior Year Receipts of \$600 was incorrectly reported as a decrease in Sale of Lots revenue in 2013. Revenue and disbursements should only be decreased if the refund occurs in the same year the initial activity was reported.

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The financial statement has been adjusted accordingly.

To help ensure the Cemetery's financial statements and notes to the financial statements are complete and accurate, the Cemetery should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board, to identify and correct errors and omissions.

Official's Response: Grandview Union Cemetery will adopt policies and procedures, including a final year-end review of the financial statements and notes by the Fiscal Officer and Board, to identify and correct errors and omissions.

Finding Number 2013-002

Material Weakness

The Cemetery collected revenue for the sale of lots and for internment within the Cemetery land. Internment, reflected under the Charges for Services classification, reported revenue totaled \$16,050 and \$11,250 in 2013 and 2012, respectively. Sale of Lots reported revenue totaled \$7,700 and \$5,000 in 2013 and 2012, respectively. The only form of support provide for audit was a duplicate receipt book for April 2013 through December 2013. However, as there were no assurances that individuals requested or received the duplicate receipt, this does not constitute adequate supporting documentation.

As a result, sufficient evidence did not exist to support this reported revenue on the financial statements.

**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 2013-002 (Continued)

Material Weakness (Continued)

Evidence to help support Sale of Lots and Internment revenue could include, but is not limited to, the following:

- Copies of checks from customers;
- Remittances attached to checks;
- Maintenance of either an electronic or manual deed book documenting the sale and use of all lots;
- Customer signed deed slips for cemetery lots;
- Tracking spreadsheets documenting internments, money received for internments, outstanding revenue for internment services and any Board approved waiver of fees. The initial internment service recorded on the spreadsheet should be created from someone independent of the individual collecting revenue.

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to help ensure the information provided to the readers of the financial statements is complete and accurate.

The Cemetery should implement procedures to help ensure that proper documentation is maintained to support Sale of Lots and Internment revenues collected. This will help ensure sufficient evidence exists to support all account balances reported on the financial statements as well as reduce the risk that revenue could be misappropriated.

Official's Response: The Cemetery will implement procedures to ensure that proper documentation is maintained to support Sale of Lots and Internments revenues collected.

Finding Number 2013-003

Noncompliance/Material Weakness

Ohio Rev. Code § 149.351 requires that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by Ohio Rev. Code §§ 149.38 through 149.42.

For 2012, \$7,792 in non-payroll disbursements were tested. While the check number, amount and vendor for all checks agreed to copies of the cleared checks, \$6,792 of this total was not supported through invoices or other supporting documentation. This occurred as the Cemetery did not maintain supporting documentation for the majority of 2012 non-payroll disbursements with the exception of the employer portion of retirement payments and an insurance transaction. As a result, it is projected that \$23,834 in non-payroll disbursements were made that could not properly be supported. As sufficient evidence did not exist to support 2012 non-payroll disbursements reported on the financial statements, it could not be determined if disbursements were in relation to Cemetery activity and constituted a proper public purpose. Additionally, it could not be determined if these disbursements were properly classified on the financial statements.

**GRANDVIEW UNION CEMETERY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number 2013-003 (Continued)

Noncompliance/Material Weakness – Ohio Rev. Code § 149.351 (Continued)

The Cemetery should take action to ensure that support for all transactions exists and is appropriately maintained. This could include, but is not limited to, attaching invoices and support to voucher jackets and storing the financial records of the Cemetery in a secure location. This will help ensure sufficient evidence exists to support all account balances reported in the financial statements.

Official's Response: As a result of the unexpected death of the Cemetery Clerk, Trustees were unable to locate and secure all cemetery records. The Cemetery will develop written policy and procedures to ensure that all cemetery records are safely stored in such a manner as to allow easy and ready access by Trustees.

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GRANDVIEW UNION CEMETERY

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 2, 2014**